

Message Text

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DEPARTMENT FOR OPIC

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TAGS: EINV, EC
SUBJECT: EVALUATION OF TECHNICAL TRANSFERS AND CONTRIBUTIONS
IN KIND ECUADOR

REF: (A) STATE A-5760 (B) QUITO 8690 (C) QUITO 8828

1. FOLLOWING IS THE INFORMATION ON ECUADOR REQUESTED BY
OPIC IN REF. A. THE LEGAL AND INSTITUTIONAL TREATMENT OF
FOREIGN INVESTMENT IN ECUADOR IS SUMMARIZED IN REFS. B.
AND C:

2. TECHNOLOGY TRANSFERS

THE GOE AGENCY CHARGED WITH REVIEWING TECHNOLOGY
AGREEMENTS IN CONNECTION WITH FOREIGN INVESTMENTS IS THE
INTERMINISTERIAL COMMITTEE ON TECHNOLOGY TRANSFER. AT
PRESENT IT DOES NOT APPEAR THAT THE COMMITTEE MAKES A VERY
DETAILED, CASE-BY-CASE, ANALYSIS OF THE VALUE OF THE TECH-
NOLOGY BEING IMPORTED. RATHER IT CONCENTRATES ON EXAMINING
PROPOSED TECHNOLOGY AGREEMENTS FROM THE POINT OF VIEW OF
THEIR CONFORMITY WITH ECUADOREAN LAW. IN DECIDING WHETHER
TO APPROVE OR DISAPPROVE A PARTICULAR TECHNOLOGY AGREEMENT,
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THE COMMITTEE RELIES HEAVILY ON THE REPORT PREPARED BY
THE FOREIGN INVESTMENT DEPARTMENT OF THE MINISTRY OF
INDUSTRY, COMMERCE AND INTEGRATION (MICEI) ON THE
SUITABILITY FOR ECUADOR OF THE CORRESPONDING TANGIBLE
INVESTMENT.

3. THE COMMITTEE IS, HOWEVER, IN THE PROCESS OF BUILDING UP ITS EXPERTISE IN THE AREA OF TECHNOLOGY TRANSFER GENERALLY. THE COMMITTEE HOPES EVENTUALLY TO BE IN A POSITION TO TRULY EVALUATE A PROPOSED TECHNOLOGY AGREEMENT, WEIGHING ITS COST AGAINST ITS ECONOMIC BENEFITS. IN THIS REGARD, THE COMMITTEE IS ATTEMPTING TO LOCATE SOURCES OF NON-PROPRIETARY TECHNOLOGY THAT MIGHT BE AS APPROPRIATE FOR THE COUNTRY AS MORE COSTLY PROPRIETARY TECHNOLOGY.

4. DURING THIS INTERIM PERIOD THE MICEI HAS PREFERRED NOT TO PUBLISH REGULATIONS GOVERNING THE IMPORTATION OF TECHNOLOGY. THIS IS TO PERMIT THE COMMITTEE MAXIMUM FLEXIBILITY IN ANALYZING TECHNOLOGY PROPOSALS, BENEFITTING FROM ITS GRADUALLY INCREASING KNOWLEDGE AND EXPERIENCE.

5. CONTRIBUTIONS IN KIND

THE MICEI DOES NOT USUALLY EXAMINE CAREFULLY THE VALUE OF CONTRIBUTIONS IN KIND MADE AS PART OF A FOREIGN INVESTMENT. A PRO FORMA INVOICE PROVIDED BY THE INVESTOR IS GENERALLY CONSIDERED AN ACCEPTABLE STATEMENT OF THE VALUE OF THE MACHINERY AND QUIPMENT, NEW OR USED, CONTRIBUTED. SHOULD A SERIOUS QUESTION ARISE REGARDING THE TRUE VALUE OF SUCH CONTRIBUTIONS, THE ADVICE OF OUT-SIDE AUTHORITIES, SUCH AS A POLYTECHNIC INSTITUTE, IS SOUGHT BY THE MICEI.
BLOOMFIELD

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